

application must be signed by an individual authorized to act for the applicant and to assume on behalf of the applicant the obligations imposed by the statute, the regulations of this subpart, and the terms and conditions of the award.

(b) Each application will be reviewed to determine eligibility and the reasonableness of the amount of Federal support requested. The Secretary may require the applicant to submit additional data for this purpose.

§ 57.2904 Eligibility and selection of aid recipients.

(a) *Determination of eligibility.* An individual is eligible for consideration for financial assistance under this program if he or she:

(1) Is a resident of the United States and either a citizen or national of the United States, an alien lawfully admitted for permanent residence in the United States, a citizen of the Commonwealth of the Northern Mariana Islands, a citizen of the Republic of Palau, a citizen of the Republic of the Marshall Islands, or a citizen of the Federated States of Micronesia.

(2) Is enrolled or has been accepted for enrollment as a full-time student at a school;

(3) Comes from a disadvantaged background. For purposes of this program, an individual from a disadvantaged background is one who—

(i) Comes from an environment that has inhibited the individual from obtaining the knowledge, skills, and abilities required to enroll in and graduate from a school; or

(ii) Comes from a family with an annual income below a level based on low income thresholds according to family size published by the U.S. Bureau of the Census, adjusted annually for changes in the Consumer Price Index, and adjusted by the Secretary for use in all health professions programs. The Secretary will periodically publish these income levels in the FEDERAL REGISTER; and

(4) Has exceptional financial need. For purposes of this program, a student will have exceptional financial need if the school determines that the student's resources, as described in para-

graph (b)(1) of this section, do not exceed the lesser of \$5,000 or one-half of the cost of attendance at the school. Student summer earnings, educational loans, veterans (G.I.) benefits, and earnings during the school year will not be considered resources for purposes of determining whether a student has exceptional financial need.

(b) *Selection of aid recipients.* The school will select qualified recipients and determine the amount of aid to be awarded to provide its needy students with the maximum possible benefit.

(1) In determining the amount of aid an eligible student needs to pursue a full-time course of study at the school, the school will take into consideration:

(i) The financial resources available to the student by using one of the national need analysis systems or any other procedure approved by the Secretary of Education in combination with other information which the school has regarding the student's financial status. The school must take into account, regardless of the tax status of the student, the expected contribution from parents, spouse, self, or (as appropriate) other family members. In making this determination, the school must consider photocopies of the parents', student's, and spouse's Federal income tax forms with original signatures for the most recent tax year (or certification that no Federal income tax return was filed and documentation of the total income for the most recent tax year), and may require tax returns that are certified as having been received by the Internal Revenue Service (IRS); and

(ii) The costs reasonably necessary for the student's attendance at the school. The school must document the criteria used for determining these costs. This documentation must include resource materials used by the school to determine the dollar amount for each category of expenses in its standard student budgets.

(2) The school must select aid recipients in order of greatest need, as determined by the school. The school may consider other scholarship, grant, or

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fellowship funds that a student has received or will receive for the award period when determining the order of greatest need.

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§ 57.2905 Amount of student award.

(a) The total award made under this program to any student, plus all other sources of aid the student has received or will receive for the award period, may not exceed the amount the school determines that the student needs to meet the costs of education (i.e., tuition, fees, books, equipment, other expenses required by the school, and reasonable living expenses) for the period covered by the award. The total award made under this program to any student may be less than the amount the school determines that the student needs to meet the costs of education for the period covered by the award.

(b) The total award made under this program to any student for a school year may not exceed \$10,000. The maximum amount awarded during a 12-month period to any student enrolled in a school which provides a full-time course of study longer than the traditional 9-month school year may be proportionately increased.

(c) The school must disburse this award to the student in payments based on the student's need during each academic period (e.g. semester, quarter, trimester) of a school year.

§ 57.2906 How is the amount of the grant award determined?

(a) The amount of the grant to each eligible school will be the amount requested in its application, except that if the total of the amounts requested for any fiscal year by all schools for these funds exceeds the amount of Federal funds determined by the Secretary at the time of payment to be available for this purpose, the grant to each school will be reduced to whichever is smaller:

- (1) The amount requested in the application; or
- (2) An amount which bears the same ratio to the total amount of Federal

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funds determined by the Secretary at the time of grant award to be available for that fiscal year for this program as the number of eligible students at the school bears to the total number of eligible students at all participating schools during that year.

(b) Amounts remaining after the calculation described in paragraph (a) will be distributed in accordance with paragraph (a)(2) of this section among schools whose applications requested more than the amount paid to them, but with whatever adjustments may be necessary to prevent the total grant to any school from exceeding the amount requested by it.

§ 57.2907 For what purposes may grant funds be spent?

(a) A school shall only spend funds it receives under this subpart in accordance with the approved application, the authorizing legislation, terms and conditions of the grant award, and these regulations.

(b) The school must discontinue all payments to a recipient in the event that the recipient ceases to be a full-time student at the school, and must remit any unused balance of funds to the Federal Government in the event it is unable to make full use of its grant award during the award period.

§ 57.2908 What additional Department regulations apply to grants?

Several other regulations apply to these grants. They include, but are not limited to, the following:

- 42 CFR part 50, subpart D—Public Health Service Grant Appeals Procedure
- 45 CFR part 16—Procedures of the Departmental Grant Appeals Board
- 45 CFR part 74—Administration of Grants
- 45 CFR part 76—Governmentwide Debarment and Suspension (nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants).
- 45 CFR part 80—Nondiscrimination Under Programs Receiving Federal Assistance Through the Department of Health and Human Services Effectuation of title VI of the Civil Rights Act of 1964
- 45 CFR part 81—Practice and Procedure for Hearings Under part 80 of this title
- 45 CFR part 83—Regulation for the Administration and Enforcement of sections 794 and 855 of the Public Health Service Act